

Remarks of Jeffrey N. Shane Associate Deputy Secretary

International Summit on Aviation Safety & Security George Washington University Washington, DC

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It is always a special privilege to appear before George Washington University's International Summit on Aviation Safety and Security. By bringing aviation leaders together from around the world, the program is making an historic contribution to enhancing the safety and security of air travel everywhere. I want to welcome all of you who have come to Washington for the program—particularly on behalf of Secretary of Transportation Norman Mineta—and I congratulate you on your decision to participate. I know, given the burden of your official responsibilities, how difficult it is to be so far away from your offices for a full week. But I am sure you already know, based on the program thus far, that it was the right decision.

Those of us lucky enough to be involved in international aviation are members of a very special community—a global fellowship of professionals who speak the same language, who follow the same news, and who share a unique pride in an international business that has few equals in its importance to the world economy. In many ways, by looking through the prism of international air transport, we can see a vision of the way the world ought to be: interconnected, in harmony, technologically advanced, and fostering a better quality of life everywhere.

Because aviation has always been an important harbinger of the future -- on the very cutting edge of what civilized society is capable of -- the decision by some dark and primitive forces a year ago to use the aviation system as a weapon against civilization itself was all the more horrible. A shining symbol of what is best about humankind was transformed for a moment into tragic evidence of what is worst.

For those of us in the transportation community, our reactions to the attack that occurred a year ago today had very little to do with our nationality. All of us reacted with the same horror, pain, and grief. All of us knew immediately that our lives and careers would from that time forward be very different. And we all knew immediately that we would join together across political and cultural boundaries with unprecedented unity and determination to ensure that international aviation would never again be used as a weapon against civilized peoples anywhere.

This Summit was conceived long before 9-11, at a time when the events of 9-11 were still unimaginable. Its purpose, nevertheless, was to bring together key members of the international aviation community and to exchange information about how to ensure that this safest mode of travel is made even safer, and that this essential link between the world's economies is made secure against the threat of terrorism.

Today, of course, the importance of achieving those two vital objectives cannot be overstated. If the users of air transportation lose confidence in it, the prospects for global economic growth will be seriously diminished, and the impact on airlines will be even more severe. Lest there be any doubt about that, recall that in the immediate aftermath of 9-11, carriers around the world grounded nearly 10 percent of the global fleet, laid off nearly 10 percent of the workforce, and reduced the number of routes offered. The airline industry suffered an \$11 billion drop in revenues coupled with a \$4 billion increase in expenses. Very clearly, maintaining effective safety and security is not only good public policy, it is good business.

That is what this Summit is all about.

The Importance of Aviation

Since the first jet airliner flew a little more than 50 years ago, commercial aviation has grown more than 70-fold, growth unmatched by any other major form of transportation over that period of time. Recent statistics show that over 1.6 billion passengers per year travel by air for business and pleasure – expected to grow to 2.3 billion passengers by the end of the decade – and that some 40 percent by value of all manufactured exports rely on air freight.

Aviation serves as a catalyst for developing economies by reducing the cost of trade and opening new market opportunities, contributing to the growth of existing industries and encouraging investment in new ones.

Commercial aviation of course is central to the travel and tourism industry, which now supports nearly 200 million jobs around the globe. According to statistics compiled by the World Travel and Tourism Council, this sector of the economy generates roughly \$3.3 trillion in annual gross output, or about 10 percent of the world's gross domestic product.

Finally, air travel plays a vital part in strengthening the connections among people through educational, cultural, and scientific exchange.

The economic importance of international aviation is such that, for the past decade, the United States has sought to liberalize aviation markets around the world through so-called "open skies" agreements. These agreements promote growth in air services by giving carriers the operational flexibility they need to adjust more quickly to changing market conditions and to offer a wider range of services to passengers and shippers.

The United States has now concluded nearly 60 bilateral open skies agreements with like-minded trading partners around the world. Last year, the U.S. joined with Brunei, Chile, New Zealand, and Singapore to sign the first ever <u>multilateral</u> open skies agreement. That new approach promises to streamline international aviation relations by providing a single mechanism for broader exchanges of aviation opportunities, avoiding the prolonged negotiation of individual bilateral agreements. Last spring Peru became the sixth signatory. We hope other nations – both in the APEC region and outside it – will want to join the agreement, and we trust it will serve as a model for future discussions.

Aviation Security

The cooperation we have long enjoyed in opening markets through air services negotiations – cooperation on the economic front – is now being replicated on the aviation security front – a development that is nothing short of inspiring. The U.S. of course has long treated aviation security as one of our essential strategic goals. Beginning one year ago, however, we realized that we needed a new, broader, overarching focus on transportation security in everything that we do.

We certainly were not alone in that realization. Just weeks after September 11th, the International Civil Aviation Organization convened its 33rd General Assembly. The Assembly directed ICAO to host a high-level ministerial conference on civil aviation security to address the vulnerabilities and challenges of the new security environment.

In response to the call of the General Assembly, Ministers and other high-level officials from 154 countries and 24 international organizations later convened in Montreal to address the new security environment. The Montreal Conference endorsed the creation of a mandatory, systematic and harmonized aviation security audit program. It also directed ICAO to strengthen other security measures in order to deal more effectively with existing and emerging threats to aviation.

Elsewhere, an Asia Pacific Economic Cooperation Leaders' Statement on Counter-terrorism unequivocally condemned the terrorist attacks on the United States, and made it clear that any act of terrorism, anywhere, poses a profound threat to the peace, prosperity and security of people of all faiths, everywhere.

A month after the attack, in Shanghai, the APEC Leaders pledged to strengthen international cooperation in combating terrorism. Transportation ministers from APEC economies then gathered again in early May in Lima and endorsed the Shanghai Declaration. This week's Summit, bringing together as it does aviation experts from several nations to share their ideas and experience, exemplifies the kind of international cooperation that the Leaders envisioned.

On another front, the nations participating in the G8 Summit in Alberta last June also endorsed an aggressive plan of action for aviation security. The G8 countries agreed to speed up efforts to reinforce flight deck doors on all passenger aircraft, and to enhance security in airports by the collection and transmission of advance passenger information, consideration of more secure travel and identity documents, and reciprocal bilateral access to security officials to departure and transit lounges.

G8 countries also agreed to promote greater policy coherence and coordination in all relevant international organizations, to encourage all governments to contribute to ICAO's Aviation Security Mechanism, and to consider requests from developing countries for assistance in this area.

In addition to these international efforts, the United States has developed a long-term plan to improve aviation security within its own borders. As a part of that commitment, the Bush Administration worked with Congress to pass a new Aviation and Transportation Security Act last year. The new law makes security for all modes of transportation, for the first time, a responsibility of the federal government. To carry out this critical new responsibility, Congress created a separate agency called the Transportation Security Administration – the largest new agency to be created in our government since the 1940s.

The Department of Transportation has expended significant resources over the years on the development, testing and evaluation of advanced technologies for aviation security. We have developed explosives detection equipment for checked and carry-on bags, access controls, and computerized training systems, to name just a few.

Beginning immediately after 9-11, we accelerated our efforts to deploy these devices throughout our own national aviation system. With 429 airports in our domestic system that needed to be so equipped, it was a daunting challenge. I am proud of the extent to which that challenge will have been met by the end of this year.

We firmly believe that the judicious application of advanced technology can provide a solid foundation for improved aviation security in a variety of other ways that we are examining closely. The best security, as we all know, is smart security, and technology can provide essential advantages.

As I noted earlier, civil aviation has evolved into a global system, one which transcends national boundaries, and every member of the international community benefits from it. If any one of us fails to uphold our security obligations, it threatens the integrity of the entire aviation system, thereby hurting the economic interests of everyone. Conversely, a higher level of commitment to aviation security in any one part of the world benefits us all.

The stakes involved in aviation security have never been higher. We want civil aviation to continue as the cornerstone of global commerce, with the potential of offering all the nations of the world the opportunity to grow and prosper. In order to realize aviation's potential, we must prevent terrorists from ever again converting the tools of transport into weapons against civilization. By working together, we can.

Please accept my warmest wishes for a highly successful Summit, and thank you for allowing me to share these thoughts with you.

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